

Minutes

HEBER CREEPER INC.

May 6, 1972

Minutes of the meeting of the Board of Directors held May 6, 1972. The Board Members first met at Bridal Veil Falls to inspect the facility. Those attending were: Lowe Ashton, Jim Ritchie, Wesley R. Budd, Dr. J. D. Boggess, J. R. Edwards, Dr. R. Raymond Green, and Del Wallengren. Also asked to attend were James G. Berry, Stan Briggs, Chuck and Lou Nackos, and Richard G. Brown, and J. Harold Call, C. H. Nielsen.

After making a very thorough inspection of the entire unit, the following members met at the office of Lowe Ashton to hold the meeting. Those present at the meeting were: Wesley R. Budd, Del Wallengren, Chick Nielsen, J. R. Edwards, Jim Ritchie, Dr. R. Raymond Green, Lowe Ashton acted as chairman of the meeting.

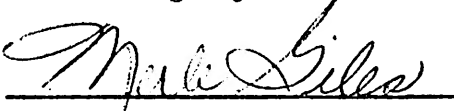
After a very long and detailed discussion Jim Ritchie made the following motion: The Company lease the Bridal Veil Falls as an operator only, and pledge ourselves to run as efficient an operation as possible, and to give all income after deducting regular direct operating expenses to the owners of Bridal Veil Falls, up to the first \$30,000.00. Direct operating costs would include wages, advertising, liability insurance, normal minor repairs and maintenance, etc. There would be no general or administrative expenses, unless spelled out and agreed to in advance by both parties, and the Company would agree to the owners of Bridal Veil Falls participating in decisions affecting the operation expenses that are optional (ie advertising, etc). However, the "HEBER CREEPER" would intend to lease out the gift and food operations, and receive from the professional operators of those entities a percent of their total gross, and it would be that total Gross Income Percent that the Falls owners could expect to receive and to share.

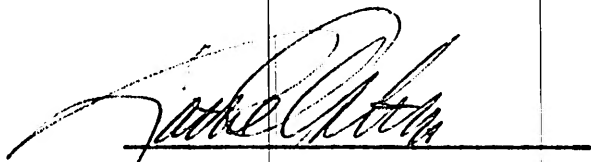
After Bridal Veil Falls receives the first \$30,000.00 after direct expenses, if any, the "HEBER CREEPER" would expect the next \$20,000.00 if any, and after that the figure, the Bridal Veil Falls and "HEBER CREEPER" would split 50-50 any revenues developed thereafter. In addition, "HEBER CREEPER" would pay to Bridal Veil Falls \$500.00, in return for an agreement from Bridal Veil Falls that they would not sell the business until February 1, 1973, or until such time as the "HEBER CREEPER" makes an acceptable offer to the Bridal Veil Falls owners if such date occurs before February 1, 1973. This offer is subject to conditions such as guarantees that the business is in relatively perfect operating condition, that the owners would protect themselves as a separate entity with additional insurance, and that the owners recognize this as an effort to develop a mutually better profit picture than has existed in the immediate past. Dr. Green seconded the motion - ALL APPROVE.

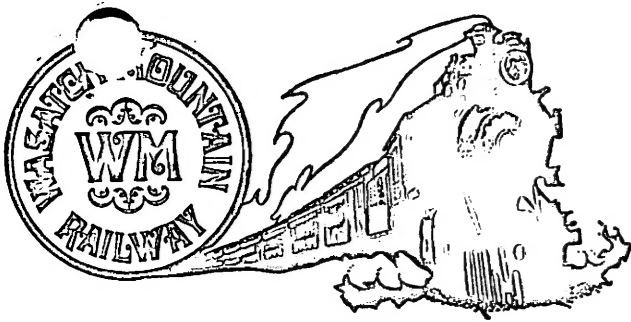
Dr. J. D. Boggess made a motion that the minutes of the meeting of April 13, 1972 be approved. Jim Ritchie seconded the motion - ALL APPROVE.

Jim Ritchie made a motion that the Company purchase 4 commuter cars from the Arcata & Mad River R.R. for \$13,000.00 plus a contingency of \$2500.00. Dr. J. D. Boggess seconded the motion - ALL APPROVE.

The meeting adjourned at 2:30 p.m.


Mark Giles


Jim Ritchie



HEBER CREEPER

P.O. BOX 69, HEBER CITY, UTAH, 84032

PHONE: (801) 654-2621

May 8, 1972

Mr. Dick Farwell
P.O. Box 563
Breckenridge, Colo.
80424

Mr. Bill Grubbs
Breckenridge,
Colorado 80424

Mr. Duke Wellington
1748 Sandpiper
Naples, Florida 33940

Gentlemen:

The "HEBER CREEPER" Board of Directors have discussed at great length the possible acquisition of the Bridal Veil Falls commercial properties. While practically unanimous about potential, they were also almost completely in accord about the fear of being able to fit the concept as presented by the investment at the Falls, into the "HEBER CREEPER" concept as we see it, without destroying one, or inhibiting the growth of the other.

We do feel rather secure in the fact that the Falls persay, is a natural phenomenon, and regardless of the ownership of the commercial properties, our railroad will serve, and our patrons will be able to appreciate the natural beauty of the Falls as part of our daily operations.

We are, however, anxious that the establishment operate. To close, would be very detrimental, not only to the State, but to our railroad because of our close proximity. A vacant business could hurt our image.

At the same time we also recognize the frailty of our own company, having behind us only 60 actual income producing days in our entire history, and we know therefore, that the greatest error we can make is to overestimate our own potential, and expand beyond our capacity in the initial stages of our development.

The next most serious factor is time: To change our game plan at this late date does create a great many problems that could seriously harm our total operations. The greatest contribution the establishment of a Canyon Terminal can offer to the immediate profit of the railroad is the ability to sell round trip tickets from either end of our line. However, this immediately raises the problem of what to do with the vehicles of the patrons that ride the train. If we allow vehicles to stay in the parking lot of Bridal Veil Falls during the time the train makes a round trip, the opportunity to make money on the Falls own attractions is most severely handicapped. If we do not sell train tickets then the need for commercial business at the Falls is not too great for the railroad company since the scenic attractions are there regardless.

As a Company, we also realize that the train's success creates additional problems for anyone who runs the businesses at the Falls. If the train brings several hundred people to the Falls, several times a day, and allows them to spend only a limited amount of time there, we have done nothing but overwhelm the present facilities, without allowing the Falls management adequate time to really benefit from these new visitors, and therefore, the Falls are left with the problems of trash and increased maintenance, without compensating income.

These are but a few of the primary problems that come to our mind, and are itemized here only to show the complexity of the decision of whether or not to make an effort to acquire the Falls at this time.

We do definitely feel that the best way to take advantage of the economic potential of the investment at Bridal Veil Falls and the "HEBER CREEPER" is for one management to develop the total concept. And, we are most anxious to try this operation to see if we can upgrade its profit potential. However, due to our inexperience, and the fact that the Falls immediate past presents such a dismal picture, we do not feel we can make an immediate offer to purchase.

We are willing to make the following offer:

To lease the Bridal Veil Falls as an operator only. To pledge ourself to run as efficient an operation as possible, and to give all income after deducting regular direct operating expenses to the owners of Bridal Veil Falls, up to the first \$30,000.00. Direct operating costs would include wages, advertising, liability insurance, normal minor repairs and maintenance, etc. There would be no general or administrative expenses, unless spelled out and agreed to in advance by both parties, and we would agree to the owners of Bridal Veil participating in decision affecting the operation expenses that are optional (ie advertising, etc.). However, the "HEBER CREEPER" would intend to lease out the gift and food operations, and receive from the professional operators of those entities a percent of their total Gross, and it would be that total Gross Income Percent that the Falls owners could expect to receive and to share.

After Bridal Veil Falls receives the first \$30,000.00 after direct expenses, if any, the "HEBER CREEPER" would expect the next \$20,000.00 if any, and after that figure, the Bridal Veil Falls and "HEBER CREEPER" would split 50-50 any revenues developed thereafter.

In addition, "HEBER CREEPER" would pay to Bridal Veil Falls \$500.00, in return for an agreement from Bridal Veil Falls, that they would not sell the business until February 1, 1973, or until such time as the "HEBER CREEPER" makes an acceptable offer to the Bridal Veil Falls owners if such date occurs before February 1, 1973.

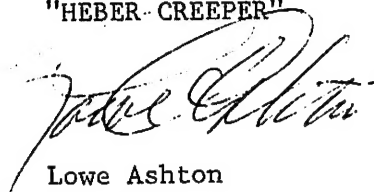
This offer is subject to conditions such as guarantees that the business is in relatively perfect operating condition, that the owners would protect themselves as a separate entity with additional insurance, and that the owners recognize this as an effort to develop a mutually better profit picture than has existed in the immediate past.

May 8, 1972
Page Three

As the president of the "HEBER CREEPER", and on behalf of the Board, may we thank you for hosting our meeting to allow us to personally inspect the facility, and regardless of the outcome of our negotiations, we want to express our willingness to cooperate to the mutual benefit of both entities, and wish you success in your future endeavors.

Very truly yours,

"HEBER CREEPER"



Lowe Ashton
President

CC: Mr. Ralph Horton
Mr. Stan Briggs
Screen Graphics, Inc.
Mr. J. Harold Call
Mr. Richard G. Brown
Mr. James G. Berry
Members of the Board



HEBER CREEPER

P.O. BOX 69, HEBER CITY, UTAH, 84032

PHONE: (801) 654-2621

May 23, 1972

TO: All Board of Directors of "HEBER CREEPER, INC"

Subject: Board Meeting, Thursday, May 25th, 1972 at 6:30 p.m.
at Lowe's Office

PROPOSED AGENDA:

1. Approval of Minutes of May 6th.
2. Turners property, Proposed acquisition.
3. Discussion of acquisition of new cars, dining cars, etc.
4. Signing of Guarantee on borrowed money.
5. Miscellaneous business.

Gentlemen:

It's Creeping Season Again (Ala Jim Berry's headline for our opening newspaper ads.)

As usual, we are in a quasi-panic condition preparing to start the new year for our first full season of operation. I think we'll make it, short of a major disaster. It won't be as fancy as I had hoped, but the extreme problem of lack of money for so long is the primary factor.

I believe most of our men have performed heroically, as usual. But, the major financing problem is over, our future is as bright or brighter than I had hoped.

I tell you, you haven't lived until you try and get the Creeper ready for a new season.


Lowe